

from 947,366,000 pesetas in 1906 to 983,784,000 pesetas in 1907, while in the provinces there was an increase from 435,903,000 to 441,895,000 pesetas. The profits of the bank for the year were 58,260,237 pesetas (\$11,250,000), of which about 21,000,000 pesetas was derived from operations with the government or was in government obligations. Cost of administration was 17,369,169 and dividends were distributed to the amount of 30,750,000 pesetas,¹

The Bank of Portugal.

Portugal has a single bank of issue, whose monopoly in this respect dates only from 1888, but whose origin goes back to the Bank of Lisbon in 1821. This institution was authorized by a decree of November 19, 1846, to unite with the National Surety Company (*Companhia Confianca, Nad-onal*) to form the Bank of Portugal.² The last extension of the charter continued the tank for forty years, from 1888 to 1928, and conferred upon it the monopoly of the issue of legal-tender notes in the realm of Portugal and the neighboring islands. Seven other banks,—five at Oporto, one at Braga, and one at Guimaraes,—had the power to issue notes for circulation within their respective districts, which were not received by public depositaries. An arrangement of July 8, 1891, authorized the Bank of Portugal to unify the circulation and substitute its own notes for those of the other banks. The bank is managed by a governor appointed by the Treasury for three years and a board of ten directors chosen by the shareholders.

The Bank of Portugal has been from the beginning little more than a gigantic paper-money machine for meeting the necessities of the state. This was the case with the Bank of Lisbon, which issued 20,000,000 milreis (\$21,600,000) to take up the government notes. The capital of the bank is 13)500,000 milreis (\$14,500,000). The statutes originally imposed careful restrictions on the circulation, but these re-

¹*Economists Europ&en*, March 20, 1908, XXXIII., 379.

²Raffalovich, in *Economiste Europ&en* ^ March 13, 1908, XXXIII.,